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## **PUBLIC CONSUMPTION IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT: REQUIREMENT FOR MODERNIZATION**

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*Article deals with basic features of current system of consumption and its incompatibility with the principles of sustainable development. The analyses argues for necessity of forming the new model of consumption, proposes its principles aimed to achieving balanced economic, social and environmental development.*

**Keywords:** *sustainable development, consumption, consumption pattern, consumer society, needs, environment*

**General statement of the problem and its connection with important scientific and practical tasks.** Consumption is one of the main phases of social reproduction, which plays a crucial role in the socioeconomic development. Industrial and private consumption is directly related to the opportunities for economic growth, human development, physiological, social and spiritual development of society. Being affected by numerous factors, public consumption is constantly developing and passes through different stages of transformation. This process is accompanied by both positive and negative changes.

Industrial development based on technical and technological achievements provides an opportunity to expand consumption substantially. This improves standards of living and quality of life. At the same time accumulation of capital and its thirst for profit in the face of increased competition led to artificial stimulation of consumption, which causes irreparable damage to the environment, spiritual and moral foundations of society. «Consumer society», which arose in the second half of the twentieth century in the developed countries of the world, resulted in the emergence of acute problems such as shortage of resources, irregularity of their distribution, environmental degradation, polarization of wealth and poverty, etc.

Thus, the study of the process, trends and problems of consumption is becoming more and more challenging. It is important to analyze consumption in the context of sustainable development. It is of practical significance to identify the ways of improving the mechanism of state regulation of the process of public consumption with a view to ensuring social progress.

**The analysis of recent research initiating the review and resolution of problems related to consumption in Ukraine.** The problems of public consumption have received coverage in a wide range of scientific works in our country. In her article A.Kudinova explores the patterns of consumption at different stages of development and defines the features of consumption in terms of post-industrial society [1]. A.Kolomiciec provides a definition for the national model of consumption and its components [2]. M. Sokolik investigates the structure of final consumption expenditure of households and analyses disproportions in development of the consumer market, existing in Ukraine, and influencing the quality of public consumption [3].

However, the sphere of consumption in Ukraine requires further studying. Currently the place of consumption in the economic reproduction changes. Society's requirements to the model of consumer behavior necessary for habitual reproduction of the resource potential of the economy and harmonization of interests of its subjects undergo changes as well.

**Highlighting components of the overall problem of consumption in Ukraine that haven't been solved yet.** Consumption is directly connected to the opportunities for sustainable development. The ecological crisis, which is getting more complicated is mainly caused by consumer nature. Many scholars believe that the promoting wheel of consumer demand and the desire to satisfy it resulted in this crisis with desire for satisfaction prevailing over ecological restrictions. The need for transition to rational models of consumption and production, which should be environmentally secure, had been stressed on UN conference on sustainable development RIO+20 [4]. Therefore, an urgent need for research of the process of consumption in the context of sustainable development, substantiation of new models and principles of consumption has emerged.

**The purpose of the article** is to identify current trends of consumption, substantiation of the parameters of consumption in accordance with the needs and principles of sustainable development and ways of its support.

**Presenting key data of the research with the full substantiation of scientific results obtained.** Public consumption, playing important part in economic and social development of the human society, has always been the subject of research for many scientists. The modern theory of consumption is based on the fact that private consumption embraces not only economic processes and relations, but also the complex system of social relations, motives, patterns of behavior.

Public consumption is a compound social and economic phenomenon with complex internal structure depending on many factors and motives. Researchers have identified internal and external motivators. Internal consumer motivation is formed at the level of individual and depends on his/her needs, values, attitudes, goals,

expectations, etc. External motivation is formed under the influence of external human factors: social environment, culture, advertising, etc.

Nowadays, the most important factors for the development of consumption are:  
population needs and level of their satisfaction;  
population incomes and level of goods and service prices;  
development of production and level of its efficiency, the saturation of commodity market and level of prices depend on;  
scientific and technical progress and innovation development;  
spread of information technologies in all spheres of public life;  
processes of globalization, development of foreign economic relations;  
aggravation of competitive struggle, development of market business strategies, marketing technologies.

A certain consumption's model is formed under the influence of the development of productive forces, production, dynamics of needs and level of their satisfaction, social and cultural environment. As A.Kolomiec noted, national model of consumption is defined as a cultural pattern that reflects the relationship of consumer market participants. The national model consists of 4 main components characterizing the way of consumption in a particular country: social, economic, resource and ecological [2].

*The social component* of consumption is connected to the satisfaction of human needs. It should be noted that the needs are dynamically increasing in the modern period. The emergence of the needs for new products and services and, as a result, consumer demand, at present stage is generated by the same producers of these goods and services. Outstanding French sociologist J. Baudrillard believes that the key of the formation of the needs is located in the sphere of production, which has been successfully using the tools of marketing and advertising to create and support the needs as such [5]. A significant influence on the formation of the needs actualizes transformation of social and cultural factors under the influence of globalization, which is conditioned by the penetration of cultures, borrowing social standards, norms and behaviours. National traditions, moral and cultural norms, mental stereotypes are changing under the influence of globalization as well..

*The economic component* of consumption is connected to the development of productive forces, production process and business. Mankind for a long time had been able to produce, simultaneously such amount of goods and services with low development of the productive forces, which were barely enough to satisfy basic needs. Development of production on the basis of scientific and technical progress and capitalist relations could significantly expand the boundaries of consumption.

A. Kundinova identifies the following types of consumption on the basis of the civilization approach: pre-industrial, industrial and post-industrial. Pre-industrial model of consumption provided the satisfaction of basic practical human needs, due

to low and slow development of production, it was characterized by inertia, stagnant and long-term invariance [1, p.18-19].

The industrial stage of development based on substantial increasing of goods production, reducing their costs, expansion of assortment and ensuring further growth of household incomes has caused the formation of new model of consumption. The characteristic features of this model are significant increase of quantity and variety of consumer goods, transition from utilitarian to conspicuous consumption, which ensure disparity of the social groups.

Nowadays the post-industrial type of consumption is formed and characterized by: ensuring of satisfaction of basic needs for wide population stratum at high level, generation needs in living standards, strengthening the status values of consumption of public and cultural weals [1, p.20-21].

Now the technical and technological innovations have the greatest impact on consumption, which penetrate into all economic major sectors. It causes emergence of new products or services: household appliances, informative, cultural and recreational services, medicines, etc. Competitive business strategies influence significantly. Using a various marketing techniques, they stimulate the expansion of consumption with purpose to increase the profit.

Wide range of goods and services (or its imitation), diversity the ways of its proposal and promotion, branching communications network where through this promotion occurs, involving the newest, not only informative and communicative, but neurolinguistic technologies in this process, increase interest to the process of selection and purchase of goods or services, stimulating consumption in this way. Not only expansion of range of consumer goods is taking place, but also formation of new needs, that do not always have positive influence on the development of individual.

On European Cultural Congress (September, 2011, Wroclaw, Poland) sociologist Sigmund Bauman brought to the focus modern culture engaged in creation of new needs, attractions, entertainment and «public relations», not statutory regulation, control and coercion, as it used to be. However, the main function of culture is not the satisfaction of needs, created by it, but rather impulsion of new and preservation of earlier discontented needs [6].

*The resource component* of consumption is connected with availability of vital resources: water, electricity, heat, food products, consumed from external environment. The fact of resource's availability considerably determines the operating mode and method of manufacture and consumption. Current volumes of resources necessary to ensure the production and consumption are rapidly diminishing.

So, for today, the possibility of expanding the area of arable land is almost exhausted, in many regions this land's proportion is more than acceptable in the context of the ecological balance, proportions [7, p.14]. Taking into account the

increase in population, the area of tillable acreage per capita is dwindling. In addition supply of fossil natural resources (oil, gas, coal, metal ores, etc.) is getting lower. There is acute problem of unequal access to natural resources and their unequal consumption for some countries and regions.

*The environmental component* of consumption is connected with decrease of natural resources and deterioration of environment. Due to depletion and degradation of natural resources hundreds millions of people all over the world suffer from the shortage of drinking-water, fuel and foodstuff.

Unsustainable economical activity repeatedly enhanced in our time by achievements of scientific and technical progress has led to damage and exhaustion of natural resources, regeneration opportunities and mechanisms of biosphere. Besides it was accompanied by deformation of natural circulation and energy pathways on the planet existing over millions of years, violation of dynamic equilibrium of global terrestrial socio- and ecosystem.

In consequence of mentioned facts the progressive destruction of Earth biosphere has began. In the very near future it could threaten to become irreversible and lead to such extent of environmental degradation, that becomes unfit for further existence for all humanity [7, p.12-13].

So, current consumption is considered to be an active phase of social reproduction, which directly influences not only on the production, but also on social relations, human behavioral patterns. And this influence is not always positive as problems of the environment and manifestation of society degradation evidenced. At present formed in developed countries the model of consumer society, which rapidly spreads to other regions of the world has dominated. Many countries of Asia, Africa and Latin America are guided by it. Ideologies of all countries without exception are configured by increasing the consumption and life comfortability despite of urgent imperatives of reducing the resource which consuming on the Planet. «Success, wealth, excessive consumption – that has become a desirable for all. Stimulating global machine of consumption has virtually made impossible to reverse back. Even the most closed society (Korea, Cuba, Iran) couldn't stand up and have to reveal differently» [8].

Consumption becomes an industry and the world turns into a big shop. Aggressive marketing forms untwist a spiral of consumption. Consumers are forced to change goods which they own and haven't lost its consumer value, practical utility on new ones [9, c.267]. Nature of consumption is essentially changing because symbols and brands are consumed mostly instead of qualities of product.

Consumption becomes limitless, irrational, uncontrolled phenomenon, transforming into more exhausting and licentious form of consumerism, depriving sense of hyper-consumption [9, p.268]. As J. Baudrillard investigates, consumption has no limits. It would be naive to assume that it can be full or satisfied. We know

that is not the case: we wish to consume more and more. This obsessive desire to consume is not only because of some psychological reasons or something like that, and doesn't caused by power of inheritance. If we would say that consumption is something uncontrolled, because it could be ideal practice, which has nothing in common (after a certain point) no with satisfaction of needs, not with the principle of reality. So, desire to take possession on consumption or to establish standards of system of needs are naive and preposterous moralism [10].

Formed model of consumption materially damage the progress of society. To the greatest manifestations of which could be included the following:

irrationally and erratically using of scanty natural resources. 80% of the world's GDP production is concentrated in developing states. Here is exactly used absolute majority of natural resources, which are directed on satisfaction of excessive and mostly fictitious needs for only 15% of total population of the Earth [7, p.20]. There is lack of resources for satisfaction even basic needs for people in less developed countries. Nowadays more than a billion people of the planet live in conditions of extreme poverty and 14% of them are suffering from chronic under consumption as was noted on RIO+20 [4, p.5];

domestic waste is being the essential consequence of consumption is that is dynamically growing. At present only urban households generate 1.3 billion tons of domestic waste annually. By 2025, based on assumption their volumes will increase to 2.2 billion tons. Every resident of the city throws 1.2 kg of household waste daily [11]. Consequently, large part of tight resources turns into a garbage that pollutes environment and occupies a huge territory;

consumerism (planting consumer values) changes significantly the moral and spiritual foundations of society, behavior models. Total consumption, its logic, values penetrate into all spheres of human existence, interlaced into other fields. Certainly it influences on formation a new social phenomena and life style. Enjoyment displaces higher spiritual values, development of intellectual and moral personal qualities is replaced by evolution of the consumer skills [9, c.265, 266].

Fundamental change of current consumption pattern is required to avoid the global catastrophe of noosphere. Scientists, public representatives and progressive policies are claiming more often. In addition that main objective was defined in the final document of UN conference on sustainable development RIO+20.

It is a necessity to form the new kind of model of consumption, which should be adequate to sustainable development. Our scientists emphasize the essential need in changing of consumption pattern. Society, for the purpose of preservation the self-reproduction potential of ecosystem, should prevent further growth of population of our plane, or learn how to transform the production process qualitatively (at the same time, community need) so as to decline environmental impact (per capita) that having

affects on state of nature, even with those specific speed (better even faster), with which population of the Earth is growing [12, c.91].

It should be noted that in scientific literature the problem of consumption in the context of sustainable development is studied insufficiently. Also qualitative characteristics of consumption, which should ensure the balance of social, economic and environmental development, are not defined. According to our opinion, this kind of consumption should be formed on following the principles:

*adequacy* – consumption of goods and services should be sufficient for satisfaction diversified formed personal needs, which provide normal conditions for public reproduction;

*human development* – consumption should contribute to development of physical, intellectual, spiritual, social personal parameters, to assist the social cohesion, mutual understanding;

*environmental friendliness* – it is responsible resource-saving model of production and consumption, which provides economical and rational use of natural resources, minimization and recycling of wastes, their maximum utilization and regeneration of ecosystems;

*efficiency* – foresee the using such technologies of consumption, which provides minimization necessary resources to meet the needs (material, energy, etc.). In this case the level of satisfaction of real needs and quality of consumption wouldn't reduce;

*security* – consumption of any goods and services should not cause damage to human health and life, opportunities for their development and environment. It is not compatible with the excessive consumption of any kind of goods and consumption of asocial goods (tobacco and alcoholic products, drugs);

*comfort* – consumption of goods and services is to improve the conditions of human life, facilitate the household chores, create conditions for increasing spare time required for individual development.

**Conclusions and directions of further researches.** The study shows that current model of consumption does not accord the principles of sustainable development. Here it is necessary the substantial modernization, which should comprise all of the processes associated with consumption: formation of needs, production of goods and services, direct process of their consumption, etc. The new model of consumption should be developed and implemented in the public practice, complying with the principles of sustainable development.

One of the most realistic ways of formation of the new model of consumption are transition to innovative type of development with a wide introduction of resource-saving technologies in manufacture and living. It will ensure money-saving and efficient use of production resources and in household activities – water, heat, electricity and other necessary resources for vital activity of households.



There is another way for creation model of consumption on the principles of sustainability is purposeful transformation of demand, refocusing it on such goods, appropriated the attributes of sustainable development (safety, efficiency, possibility of recycling, etc.) to a greater extent [12, с.832]. Ensuring the orientation of consumer demand in the direction of sustainable development is required: explanatory work concerning the essence and inevitability of sustainable development; extensive product manufacture, contained the attributes of sustainability; information support such products on the way to the consumer.

One of the most important ways of formation of the model of consumption based on sustainable development is the conscious limitation of excessive consumption. That is the most difficult task, since it involves deep foundations of social and cultural entity. As experts mark, changes in the life style of people are needed first of all for reducing the existent level of consumption. Habit complex of diversions and changes in life style should be considered as the only real way of positive solution of the crisis in society of consumption and related to it environmental crisis.

There is a hypothesis that ecologism could solve the problem of the ecological crisis through of life (living) style, which manifests itself in conspicuous unconsumption as a sign of belonging to certain social group. However, we could expect a real overcoming of the ecological crisis only in case when this group will eventually occupy the majority position, high-priced, non marginal. In this case their life style will start to be perceived in society as the reference, advantage to include masses of population [13].

It should be emphasized that problem of modernization of consumption based on the principles of sustainability is extremely complicated. It requires further theoretical research, thorough search of specific ways for gradual transformation of processes awareness, formation and redress of human needs.

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